



Senate

General Assembly

File No. 222

February Session, 2022

Substitute Senate Bill No. 342

Senate, March 30, 2022

The Committee on Veterans' Affairs reported through SEN. CABRERA of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING FEDERAL REIMBURSEMENTS FOR CERTAIN PHARMACEUTICAL PURCHASES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2022*) All federal reimbursements
- 2 received by this state for expenditures made from the institutional
- 3 general welfare fund of the Department of Veterans Affairs, established
- 4 in accordance with section 4-56 of the general statutes, for
- 5 pharmaceutical and prescription drug purchases, pursuant to a
- 6 memorandum of understanding between the department and the
- 7 United States Department of Veterans Affairs Connecticut Healthcare
- 8 System, shall be deposited in such institutional general welfare fund.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2022</i>	New section
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Statement of Legislative Commissioners:

"[S]ections 4-56 to 4-58, inclusive," was changed to "section 4-56" and "deposited in the" was changed to "deposited in such" for accuracy.

VA *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Resources of the General Fund	GF - Revenue Loss	\$337,000	\$337,000
Department of Veterans' Affairs	IGWF - Revenue Gain	\$337,000	\$337,000

Note: IGWF = Institutional General Welfare Fund; GF = General Fund

Municipal Impact: None

Explanation

The bill results in a General Fund revenue loss of approximately \$337,000 in FY 23 and FY 24 and an associated revenue gain to the Institutional General Welfare Fund due to redirecting pharmaceutical deposits.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 342*****AN ACT CONCERNING FEDERAL REIMBURSEMENTS FOR CERTAIN PHARMACEUTICAL PURCHASES.*****SUMMARY**

Under this bill, federal reimbursements to the state for certain prescription drug purchases must be deposited into the Department of Veterans Affairs' Institutional General Welfare account (IGW) if the drugs were purchased using IGW funds. The bill's requirements apply to reimbursements for pharmaceutical and prescription drug purchases made under an agreement between the department and the U.S. Department of Veterans Affairs Connecticut Healthcare System. Currently, in practice, reimbursements under this agreement are deposited into the General Fund.

By law, the IGW funds must be used for departmental expenditures that directly benefit veterans, the Veterans Residential Services facility, or the Healthcare Center (CGS § 27-106).

EFFECTIVE DATE: July 1, 2022

COMMITTEE ACTION

Veterans' Affairs Committee

Joint Favorable

Yea 16 Nay 0 (03/15/2022)